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NATIONAL INTELLIGENCE REQUIREMENTS - CHINA

Note: For purposes of formulation, the broad features of U. S. policy with respect to China are stated in Part I. Key elements of the situation in China affecting U. S. policy and security are stated in Part II. On the basis of I and II specific "National Intelligence Requirements - China" of first priority are listed in Part III.

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I - U. S. Policy Toward China

Overall U. S. Policy with respect to China has the following major features. The United States seeks the development of a peaceful, unified and democratic China under the National Government; supports the principle of non-intervention by foreign governments in China's internal affairs; is prepared, under certain conditions, to assist in the rehabilitation of the country and improvement of its agrarian and industrial economy; and encourages the development of foreign trade and private enterprise in China. The components of this policy as elaborated below are organically interrelated.

1. Peace. The United States is attempting to assist in finding a peaceful solution to China's internal conflict since it considers that a China disorganized and divided either by foreign aggression or internal strife may undermine world stability and peace.

2. Unity. The United States recognizes the National Government of the Republic of China as the only legal Chinese Government and as the proper instrument to achieve Chinese unification. It urges that autonomous armies be effectively integrated into a new and modernized National Army.

3. Democracy. The United States believes that peace, unity and democratic reform will be furthered if the base of the government is broadened to include all political elements; it should encourage the development of the non-Communist Left elements to evolve a progressive democratic program and to institute necessary economic reforms.

4. Non-Intervention. The United States believes the management of China's internal affairs is the responsibility of the Chinese people, and

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would oppose intervention by any foreign government; it would oppose vigorously any further efforts by foreign nations to split off and control Chinese provinces. Soviet expansion in the Far East, if it occurs, would threaten world stability, and hinder the realization of U. S. objectives in China. Revival of Japanese and German influence in China may constitute a future threat to U. S. policy objectives in China.

5. Rehabilitation. In economic assistance to China the United States will give more favorable consideration to projects for the rehabilitation and development of transportation and communication facilities, agriculture, and consumer goods industries than to heavier industries; it will encourage the Chinese Government to approach the problems of internal recovery through international cooperation rather than through nationalistic trade policy and through a tariff policy adapted to China's resources and markets rather than to the development of a self-sufficient economy.

6. Foreign Trade. The United States favors an equality of opportunity among all nations for trade and enterprise in China, extension of the areas of private enterprise whether Chinese or foreign, and assurance of non-discriminatory treatment of foreign companies and nationals in China and adequate protection of the legitimate rights of property.

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II - Key Elements Affecting U. S. Policy and Security

The function of intelligence at the strategic level is to provide information for evaluating the success of national policy and to clarify factors threatening national policy or security. In respect of China the major subject fields to be pursued may be classified under four headings: Policies and actions of the Central Government, of the Chinese Communist Party, and of the Soviet Union with respect to China, and the developing situations in certain strategic areas of China or in important fields of activity.

The specific formulations in Section III, below are designed to elicit intelligence reports which will aid in judging the success of, or threats to, U. S. - China policy in respect to the goals of Chinese peace, unity, democracy and rehabilitation, non-intervention, and foreign trade.

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